

Docket NO. 14-118.

APPLICATION FOR ELECTRIC SUPPLIER CERTIFICATE IN THE STATE OF DELAWARE | 1

1. IDENTITY OF APPLICANT (applying as broker)

Legal Name:

Open Market Energy, LLC

RECEIVED

2014 MAR 24 AM 11 21

Name to be used in Delaware:

Open Market Energy

Current Mailing Address:

7625 Wisconsin Avenue

Suite 300

Bethesda, MD 20814

Business Type:

**Limited Liability Company, Incorporated in Maryland
Utility Broker**

Website:

www.openmarketenergy.net

2. CONTACT PERSON(S)

Regulatory Contact

Name and Title: **John Gardiner, President**

Address: **7625 Wisconsin Ave, Suite 300**

Bethesda, MD 20814

Telephone: **(202) 379 - 8202**

Fax: **(240) 597 - 1111**

Email: john@openmarketenergy.net

Primary Corporate Officer Contact

Name and Title: **John Gardiner, President**

Address: **7625 Wisconsin Ave, Suite 300**

Bethesda, MD 20814

Telephone: **(202) 379 - 8202**

Fax: **(240) 597 - 1111**

Email: john@openmarketenergy.net

OK #1431
\$1,750.00
amount

DR
Ausa.
Donna.
mauka
John.
Toni.
Connie.

APPLICATION FOR ELECTRIC SUPPLIER CERTIFICATE IN THE STATE OF DELAWARE

Customer Service/Treasurer Contact

Name and Title: **Matt Gardiner, Accounts Manager**
Address: **7625 Wisconsin Ave, Suite 300**
Bethesda, MD 20814

Telephone: **(240) 482 - 4738**
Fax: **(240) 597 - 1111**
Email: **matt@openmarketenergy.net**

Resident Agent Contact

Name and Title: **Marcia Eisinger, Energy Consultant**
Address: **1 Oak Avenue**
Rehoboth Beach, Delaware 19971

3. Proof of Registration in Delaware

"See: Exhibit 1"

4. Applicants Experience:

In 2007, Open Market Energy was formed as a result of deregulation of electricity an opportunity for Principle, John Gardiner, to return to his mechanical engineering educational roots by providing independent consulting to property management and building owners. Since 2007 Open Market has provided unbiased energy analysis and procurement recommendations to leverage energy wholesale providers such as Pepco Energy Services, Glacial Energy, Hess Energy, Constellation New Energy and Washington Gas Energy Services. Open Market Energy's customers include property management companies, developers, restaurants, carwashes, grocery stores, and residences.

5. Services

Open Market Energy plans to supply Delaware customers with budget development and advice that pertains to electricity market. OME offers data management, rate and tariff analysis along with a multi-supplier network. Open Market Energy services include procurement, energy risk management and utility consulting. Open market energy is focused on helping clients capitalize on opportunities and implement a strategic approach to energy risk management.

6. Criminal Activity (2.1.1.8.6)

Not Applicable

7. Financial, Operational, Managerial and Technical Ability.

- a. Certified Financial Statement current within twelve (12) months of the filing
 - i. **"See: Exhibit 2"**
- b. Brief Description of nature of business being conducted
 - i. Electric Supplier and Marketing of electricity. Broker acting as an agent or intermediary on behalf of customers in the sale and purchase of electricity and who does not take title to electricity.
- c. List of States Currently selling electric supply
 - i. Maryland
 - ii. Washington, D.C.
- d. Operational experience of each principal officer responsible for Delaware operations
 - i. **"See: Exhibit 3"**
 - ii. **"See: Exhibit 4"**
- e. FERC
 - i. N/A

8. Contracts

"See Exhibit 5"

9. Verification of Application

"See Exhibit 6"

10. Application Fee - \$750

APPLICATION FOR ELECTRIC SUPPLIER CERTIFICATE IN THE STATE OF DELAWARE

EXHIBIT 1: Authority to do Business in Delaware

LICENSE NO. 2014601346

STATE OF DELAWARE
DIVISION OF REVENUE

VALID
04/01/2014 - 12/31/2014
NOT TRANSFERABLE

POST CONSPICUOUSLY

BUSINESS CODE 120

LICENSED
ACTIVITY

BROKER

DLN: 14-92059-35-000

DATE ISSUED: 03/03/2014

LICENSE FEE: \$ 56.25

****VALIDATED****

2014

MAILING ADDRESS

OPEN MARKET ENERGY, LLC
7625 WISCONSIN AVE STE 300
BETHESDA MD 20814-6565

BUSINESS LICENSE



BUSINESS LOCATION

OPEN MARKET ENERGY, LLC
7625 WISCONSIN AVE STE 300
BETHESDA MD 20814-6565

IS HEREBY LICENSED TO PRACTICE, CONDUCT OR ENGAGE IN THE OCCUPATION
OR BUSINESS ACTIVITY INDICATED ABOVE IN ACCORDANCE WITH THE LICENSE
APPLICATION DULY FILED PURSUANT TO TITLE 30, DEL CODE.

Patrick T Carter
DIRECTOR OF REVENUE

APPLICATION FOR ELECTRIC SUPPLIER CERTIFICATE IN THE STATE OF DELAWARE

EXHIBIT 2: Financial Statement

03/04/14

Open Market Energy, LLC

Balance Sheet Standard

As of December 31, 2013

	Dec 31, '13	Dec 31, '12
ASSETS		
Current Assets		
Checking/Savings		
Bank of Georgetown	58,793.21	133,126.15
Total Checking/Savings	58,793.21	133,126.15
Other Current Assets		
Loan		
Scott Miller	7,500.00	0.00
Stephen Beaudet	0.00	30,000.00
Total Loan	7,500.00	30,000.00
Total Other Current Assets	7,500.00	30,000.00
Total Current Assets	66,293.21	163,126.15
Other Assets		
Clubhouse 4400 LLC	50,000.00	0.00
Total Other Assets	50,000.00	0.00
TOTAL ASSETS	116,293.21	163,126.15
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Loans		
John Gardiner	0.00	20,000.00
Total Loans	0.00	20,000.00
Total Other Current Liabilities	0.00	20,000.00
Total Current Liabilities	0.00	20,000.00
Total Liabilities	0.00	20,000.00
Equity		
Amy Gardiner Equity		
Amy Gardiner Investments	14,905.28	14,905.28
Amy Gardiner Draws	-167,306.28	-68,155.28
Total Amy Gardiner Equity	-152,401.00	-53,250.00

03/04/14

Open Market Energy, LLC Balance Sheet Standard

As of December 31, 2013

	Dec 31, '13	Dec 31, '12
Opening Bal Equity	12,698.03	12,698.03
Retained Earnings	183,678.12	37,162.34
Net Income	72,318.06	146,515.78
Total Equity	116,293.21	143,126.15
TOTAL LIABILITIES & EQUITY	116,293.21	163,126.15

03/04/14

Open Market Energy, LLC
Profit and Loss Standard
 January through December 2013

	Jan - Dec '13	Jan - Dec '12
Ordinary Income/Expense		
Income		
Energy Sales Commissi...	891,585.44	792,238.40
Total Income	891,585.44	792,238.40
Cost of Goods Sold		
Customer Refunds	1,015.05	0.00
Total COGS	1,015.05	0.00
Gross Profit	890,570.39	792,238.40
Expense		
Advertising	3,130.02	2,030.00
Automobile Expense	1,019.94	1,156.72
Bank Service Charges	131.00	117.00
Computer Services	0.00	33.33
Contributions	2,700.00	4,370.00
Donations	500.00	0.00
Dues and Subscriptions	9,794.81	806.95
Insurance		
Medical	1,046.16	67.13
Total Insurance	1,046.16	67.13
Licenses and Permits	1,697.71	1,839.71
Marketing	20,092.95	2,463.98
Miscellaneous	100.00	0.00
Office Equipment	1,201.94	1,625.67
Office Supplies	5,033.53	3,371.80
Outside Services	0.00	1,972.00
Parking	2,947.81	1,882.75
Postage and Delivery	271.68	104.33
Printing and Reproduction	590.14	633.84
Professional Fees		
KwEfficiency	1,931.00	0.00
Accounting	3,300.00	3,000.00
Consulting		
S Shannon	3,997.00	0.00
M Cullen	19,764.00	0.00
T Gammon	988.00	0.00
VAR	411,350.00	0.00
M Railey	12,762.00	0.00
D Leonard	85,876.00	0.00

03/04/14

Open Market Energy, LLC
Profit and Loss Standard
 January through December 2013

	Jan - Dec '13	Jan - Dec '12
M Burke	116,017.00	0.00
Consulting - Other	34,878.46	543,348.08
Total Consulting	685,632.46	543,348.08
Total Professional Fees	690,863.46	546,348.08
Rent	19,600.00	10,000.00
Repairs		
Computer Repairs	200.00	150.00
Total Repairs	200.00	150.00
Software	500.93	493.35
Surety Bond Fee	920.00	0.00
Taxes		
Property	0.00	300.00
Total Taxes	0.00	300.00
Telephone		
Internet	1,500.00	0.00
Telephone - Other	597.89	1,448.28
Total Telephone	2,097.89	1,448.28
Travel & Ent		
Entertainment	7,407.11	10,215.81
Meals	32,818.70	39,057.94
Travel	13,659.24	15,233.95
Travel & Ent - Other	1,295.80	0.00
Total Travel & Ent	55,180.85	64,507.70
Total Expense	819,620.82	645,722.62
Net Ordinary Income	70,949.57	146,515.78
Other Income/Expense		
Other Income		
Interest Income	1,368.49	0.00
Total Other Income	1,368.49	0.00
Net Other Income	1,368.49	0.00
Net Income	72,318.06	146,515.78

EXHIBIT 3: Experience

Open Market Energy President Past Experiences

John Gardiner has a BS in Mechanical Engineering from Massachusetts Maritime Academy and work in the energy transportation industry including British Petroleum and Military Sealift Command from 1987 to 1995. In this capacity, John developed thorough knowledge of facility management and hands on experience in the transportation of the natural gas, crude oil, and refined fuels through his work with LNG, Oil tankers, and Navy Ships. John has extensive experience in gas, steam and nuclear power generation resulting in multiple certifications from the USCG.

For the next 12 years, John worked in the high tech industry selling enterprise solutions to the Dept of Energy, Homeland Security and other federal Agencies. In 2007, Open Market Energy was formed as a result of the deregulation of electricity and the opportunity to return to his mechanical engineering roots by providing independent consulting to property management firms and building owners. Since 2007, John has provided unbiased energy analysis and procurement recommendations to leverage energy wholesale providers such as Pepco Energy Services, Glacial Energy, Hess Energy, Constellation New Energy and Washington Gas Energy Services.

Open Market Energy has of decades of expertise in commercial & residential sales, leasing and property management, financial management and lending, and lobbying and law expertise. Our energy management services include energy procurement, energy risk management and utility consulting. Open Market is focused on helping clients capitalize on opportunities and implement a strategic approach to energy risk management. Open Market Energy has over 60 customers leveraging our services today at over 300 different locations throughout Maryland, DC, Delaware and Virginia.

EXHIBIT 4: Business Plan

OPEN MARKET ENERGY



BUSINESS PLAN

2014: JANUARY

OPEN MARKET ENERGY LLC

2014 BUSINESS PLAN

EXECUTIVE SUMMARY

Open Market Energy (OME) is a professional energy consulting and brokerage firm founded as a result of Energy Deregulation. The President is a marine and mechanical engineer with a passion for the energy market and a commitment to providing valued services to clients while maintaining the highest levels of integrity, trust, and honesty. OME consists of over 20 years of mechanical engineering, information management, financial management, and enterprise solutions that offer clients the experience and confidence to recommend and manage their energy portfolio.

Open Market Energy (OME) was established over four years ago. The founders have extensive backgrounds in engineering, finance and commercial real estate. The company was formed in response to the challenges small to medium size organizations were facing while trying to take advantage of the potential saving inherent in purchasing energy from alternative suppliers. Companies quickly realized the procurement process was fraught with land mines and far more complicated than originally thought. Open Markey Energy provides the expertise without adding direct cost as we are compensated by our suppliers. It is similar to an insurance broker who makes recommendations regarding which health care providers to use. The expertise and guidance is built into the cost of healthcare.

As energy procurement specialists our mission is simple; we assist organization in reducing risk and energy costs by professionally managing their energy procurement and monitoring their ongoing electricity and natural gas expenses.

OME represents multiple energy suppliers guaranteeing an unbiased analysis of our customers' requirements while clearly outlining risks as it relates to market conditions, and the type and length of energy contracts. We ensure all suppliers include the same components in their bids so we can effectively compare and negotiate appropriate terms to meet our clients' procurement goals. Our suppliers offer fixed price, indexed price, hybrid pricing (a combination of fixed and indexed) and demand response.

Working with OME provides your organization with the expertise without the direct cost. OME is compensated by the companies we represent. It is similar to an insurance broker who makes recommendations regarding which Health care provider to use. The expertise and guidance is built into the cost of Healthcare.

OPEN MARKET ENERGY:

- We are **Energy Specialists**. Our Energy Procurement process is simple, swift, and effective.
- We represent **Multiple Suppliers**. This assures that you will have unbiased energy procurement recommendations.
- We are a **Dedicated Team**. We monitor and manage the energy markets daily so that you don't have to.
- In these uncertain economic times businesses need to **Focus on Their Core Business**.
"Do what your business does best and outsource the rest."

- We are known for and pride ourselves for our personal accountability and integrity in all transactions.

COMPANY DESCRIPTION

Open Market Energy, a State of Maryland LLC, formed in 2007 as a result of Energy Deregulation. In 2007, one of the largest Maryland energy suppliers had to drastically increase their rates due to unforeseen market shifts; though deregulation in Maryland was passed in 1999 the market did not exist until Baltimore Gas and Electric (BGE) had to almost double their rates opening the energy market to energy procurement specialists. John Gardiner, President, is a marine and mechanical engineer that worked for BP early in his professional career and started the OME as a professional energy consulting and management firm.

OME has assembled a unique set of experiences to include mechanical engineering, information management, lobbyists, business development, financial management, commercial real estate and enterprise solutions architecture. We specialize in providing energy management solutions that measures and maps risks associated with our customer's energy expenses by professionally managing how, when and from whom their clients purchase electricity and natural gas. They have developed a goal oriented strategic energy plan for their clients that are measure and tracked on a continual basis through detailed reporting.

OME has grown to over 6 energy brokers with an office administrator, marketing team and comptroller over the past 7 years with a client base in the Washington D.C., Maryland and Delaware. As of 2014, OME has opened a second office in Baltimore Maryland with a Main Office located in Bethesda Maryland, OME provides electric and gas account procurement services and account management for a client profile which is mainly small businesses and mid-size real estate developers. The average clients' usage is from 1 to 5 million kWh over multiple accounts. Clients include Panera Bread, Washington Properties, Associated Press, CSPAN and Matan Development.

SERVICES

OME has developed a supplier network consisting of WGES, CNE, HESS, UGI and other to ensure the very best competitive pricing and products for our clients. Our energy procurement process is simple, swift and effective. OME engages our customers to understand their business and energy profile allowing the entire process to be transparent our clients. The local utility continues to deliver the energy and in many cases, bill you.

The process begins with the gas and electric accounts for one building or for several buildings. We have procured energy for a single account within a building, a single building with several accounts, several buildings in a campus environment and multiple locations aggregated under one procurement contract. More is generally better but many factors affect a single building rates such as quantity, load profile, location; the time of day energy is consumed and consistency of load or rate of consumption.

OME reviews and analyzes the facilities energy consumptions and load profile to determine the optimal procurement strategy. Then we assess your organization's risk tolerance and budget constraints to establish energy saving targets and goals. These targets and goals will determine the procurement options that best meet your long terms budgets by purchasing energy through fixed based contracts, indexed based contracts, or a blended approach. If green energy is required, OME will configure the optimal percentages from 10% to 100% green power that meets your sustainable goals.

OME services include existing contract review, billing validation, reviewing load profile and usage, map current expenditures and savings (if any), and the development of a strategic energy procurement plan. We work with customers to understand their business objectives to deliver a strategic plan with the most advantageous terms, predict market changes, risk assessment, and budget for short and long-term sustainability.

SERVICES PROVIDED:

1. Budget Development
 - a. Past Usage is tracked to better inform the client of potential future costs and the load profile of all accounts.
2. Rate and Tariff Analysis
3. Market Intelligence
4. Quarterly Reporting
 - a. Each quarter every client receives a report that displays the rate OME locked the client in at in comparison to the standard Utility company rates in the area.
5. Data Management
 - a. All clients Historical Usage Data (HUD) is reviewed and observed for spikes and irregularities to assist in energy management
6. Strategic Sourcing
7. Multi-Supplier Network
 - a. To ensure competitive bidding and best pricing for our clients we have a network of suppliers to ensure lowest pricing
8. Sustainable Alternatives
 - a. For Clients interested in green or alternative energy sources we have a network of suppliers and consultants to meet those requests
9. Energy Management Alternatives
 - a. Demand response energy management
 - b. Building monitoring software and third party monitoring to assist larger scale budgeting

OME strives for not only a lowest rate possible for each client but has made recommendations that specific clients return to the Public Utility until market conditions have corrected. At times OME will advise clients to lock for one-month intervals or leverage the index for several months, rather than the typical 1-3 year rate lock, to secure the clients the best rates that the fluctuating market will offer. We will develop a detailed budget outlined monthly costs off prior years load so our clients know what to allocate during the annual planning process.

MARKET ANALYSIS SUMMARY

Key factors for purchasing energy from Atlantic suppliers:

With the advent of utility deregulations, as with any major change, some confusion and misinformation has circulated. The one element on which most people involved with energy procurement will agree is that it is more complex than initially imagined. There are countless stories of organizations locking electric and natural gas rates at all time high prices; signing contracts with sunset clauses that automatically renew at their current contract rate or market rate, whichever is higher; committing to five year terms with no cancellation clause.

Utility pricing is complex because electricity and natural gas are commodities. They are traded on an exchange. Prices change by the minute, prices need to be monitored, usage analyzed, trends observed and exploited. It requires not just specialized expertise but constant monitoring of markets. Unlike building systems, which are fairly static, in natural energy supply costs are constantly changing.

While this is taking place on a micro level significant changes are taking place on a macro level. There has been a paradigm shift with Natural Gas. It emerged as the preferred fuel for electric power generations as well as heating. The factors contributing to this shift include completion of several natural gas pipelines across the United States moving the lower 48 closer to a single natural gas market and the development of technologies that permit the cost effective and flexible extractions of natural gas from Shale gas deposits.

STARTEGIC SUMMARY

There are two ways to manage energy procurement and take advantage of the saving associated with the introduction of energy supply competition. The first is to hire a FTE or several to become energy procurement specialists to monitor daily market conditions and the second is to procure through energy brokers like Open Market Energy. Both have their share of pluses and minuses. However, given the state of the economy, adding personnel is a significant hurdle to overcome.

Working with Open Market Energy (OME) provides your organization with the expertise without the direct cost. The suppliers we represent in our network compensate OME. It is analogous to an insurance broker who provides guidance and recommendations regarding which health care provider to use. Their expertise and guidance is built into the cost of specialist/broker.

In the Mid-Atlantic region our clients have savings ranging from 6% to 20% compared to remaining with the utility. The process begins with the gas and electric account numbers. This usually means a building per account number but can mean several account numbers for one building. It expands from there. We have done single accounts within a building, single buildings with several accounts, several buildings in a campus environment and multiple locations aggregated under one procurement contract.

In analyzing Emerald Estates' Usage over the Twelve Months beginning April 24, 2009 through April 28, 2010 the load configuration shows the majority of electricity consumption taking place during the utilities off peak hours. It averages approximately 56% over the 12-month period. If we add the usage during the Intermediate Peak Period (16.67%) we see the total non-peak consumption

is running at around 73% of the total electricity consumed. This is significant because electricity is less expensive during the off peak and intermediate peak time of the day.

When organizations purchase either electricity or natural gas from an alternative suppliers they are usually motivated by the savings and cost predictability. Energy is sold at either a guaranteed on a fixed rate for a specific period of time or on a floating basis. Under a fixed contract your energy cost is fixed at an exact rate per kilowatt hour (kWh) and when purchased through Open Market Energy including transmission, capacity line loss and all the other ancillary charges. If the energy market goes up and down your cost remains constant over the term of the agreement. This type of agreement is best for organizations that have heavy peak period usage, budget driven and risk adverse.

The other type of agreement is call an index or Locational Marginal Pricing (LMP) contract. It is better for organizations that have heavy non-peak consumption of energy and are less risk adverse. Under an Index on a LMP contract a portion of the price is locked. Purchased through OME, the locked portion includes transmission, capacity, line loss, and all the other ancillary costs associated with supplying electricity. The actual cost of the generated electricity floats with the market. The key to an index on LMP solution is monitoring the market and taking action to move to a fixed rate solution when appropriate. For example, we have a client that has 40 locations under an LMP agreement. Each spring recommend moving to a fixed agreement during the summer months in order to mitigate their risk while the demand is high. The recommendation for Emerald Estates is to implement the index/LMP agreement. With over 70% of your electric consumption taking place during non-peak time periods as properly managed LMP solutions will maximize your savings. The following analysis illustrates this conclusively.

MARKETING AND SALES

Open Market Energy will leverage over 80 years of Mid-Atlantic business relationships to engage large, medium and small commercial companies to continue to grow our customer base. We have developed extensive partnerships with commercial real estate and property management companies allowing us to consistently deliver quality services and satisfaction for our customers. Open Market will continue to grow our client base by leveraging a complex enterprise marketing plan consisting of web, media, mailing and cold calling campaigns to drive interest and secure new relationships.

At Open Market, we believe in meeting with every customer to understand their business objectives allowing us to be an unbiased advocate in the energy market who always focuses on our customer's best interest.

CURRENT EXPERIENCE

OME has grown to over 6 brokers with an office administrator and comptroller over the past 7 years with a client base in the Washington D.C., Maryland and Delaware while become one of WGES's top 10 brokers. OME as of 2014 has two locations, a main office in Bethesda, MD and a satellite office in Baltimore MD. OME has over 100 customers under contract for natural gas and electricity. We scheduled bi weekly meetings to discuss and train employees on regulations and market conditions. The goal is to launch a similar strategy in the Commonwealth of Pennsylvania and to hire a sales person in the Commonwealth of PA to representative our future customers.

OME is currently licensed in the State of Maryland and the District of Columbia.

FINANCIAL PLAN

Open Market has a CPA on retainer to manage our financial and bookkeeping for the company. Open Market does not have any investors or have requirements to secure any outside funding or loans.

APPLICATION FOR ELECTRIC SUPPLIER CERTIFICATE IN THE STATE OF DELAWARE

EXHIBIT 5: Example Contract

N/A AS A BROKER

APPLICATION FOR ELECTRIC SUPPLIER CERTIFICATE IN THE STATE OF DELAWARE

EXHIBIT 6: Verification of Application

APPLICATION AFFIDAVIT

[Commonwealth/State] of Maryland :

: SS.

County of Montgomery :

JOHN GARDINER, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the PRESIDENT (Office of Affiant) of OPEN MARKET ENERGY (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That the Applicant herein OPEN MARKET ENERGY has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier

That the Applicant herein OPEN MARKET ENERGY has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein OPEN MARKET ENERGY acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein OPEN MARKET ENERGY acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.

John Gardiner
Signature of Affiant

Sworn and subscribed before me this 14 day of March, 2014.

Tracy Ann Gill
Signature of official administering oath

My commission expires 2.18.2015

TRACY ANN GILL
Notary Public-Maryland
Montgomery County
My Commission Expires
February 18, 2015